

say, "Well, we are going to penalize you anyway by making you recompute your depreciation schedule so it results in a lesser deduction."

So, AMP is also modified in this bill. It seems if we are concerned with increasing jobs in this country and if we are concerned with raising taxes on the American people, that it is appropriate we have the discussion this week. The \$189 billion over the 5 years of the budget that we are reducing taxes is small in comparison to the \$250 billion that were increased, raised on the working men and women and retirees and businesses 3 years ago by this Chamber.

So, Mr. Speaker, I hope everyone will tune into the discussion and decide whether or not it is going to help this country, whether it is going to allow hardworking Americans to keep some of their own money in their own pockets rather than give it to the Federal Government to spend, as we discuss, and ultimately pass this tax reduction bill this week.

#### H.R. 1215 RETURNS TAX MONEYS TO AMERICAN FAMILIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, this week we are going to see a clash of ideas once again as we have seen throughout the 100 days. This time it is going to be the big-government party that likes to take tax dollars and spend it at their whim versus the party of the people who give tax breaks to American families and others, like senior citizens.

During the 1992 Presidential campaign, our current President campaigned on the middle-income tax cut. Instead, what has occurred, last August we had the world's largest tax increase, which took money out of the pockets of American families.

H.R. 1215 is a bill that will return tax money to the families so they can spend it, because the party of the people believes that American families understand better how to spend their dollars than the Government.

Each time we lose \$1 to taxes, it is a loss of freedom. Many people across America, through higher taxes, have lost freedom, have lost the ability to spend money as they see fit.

H.R. 1215 will also help America's senior citizens. Last August, the party of big government cut social security by \$25 billion in the form of a tax increase. What this bill is going to do is restore that cut to Social Security. We are going to allow senior citizens to retain more of their income, allow them to meet their long-term health care needs, we are going to allow tax incentives to encourage individuals to purchase long-term health care insurance.

We are also going to move, in H.R. 1215, to help Americans save. We are going to do this through the American Dream Savings Account. It is an IRA-

type account that will allow families to contribute up to \$4,000 per year in these IRA accounts. These contributions are going to earn interest, and after they have been there for a 5-year period, we are going to allow those individuals to withdraw that money without penalty for first-time home purchasers, for post-secondary education expense withdrawals, education expenses, medical expenses. This is going to help those who have put away money to use it for a rainy day-type situation. Plus, it allows them to save for their retirement.

If you look at the free democracies across the world, you will find by comparison Americans save less than they should, percentage-wise. In Japan, for example, their savings are around 20 percent for average income. Here it is about 5 percent. This is a method of getting people around America to save money, put money away, and also put money into the capital stream to help create jobs.

Next thing we are going to do in H.R. 1215 is to help farmers and ranchers and those in the timber industry by allowing a 50 percent reduction in capital gains taxes, capital gains indexing, estate and gift taxes.

I want to tell you about one farmer I was very close to, my grandfather, J.W. Steele, who had a farm in South Dakota, and spent most of his time working very hard.

He used to tell me as a young boy that farmers were an interesting lot because they spent their whole life poor but they died rich. Sure enough, when he passed on to the next life, he died as a millionaire. His farm went through the estate tax, and my parents had to purchase that farm at the cost of approximately the price of a new farm because of the way land prices had gone up and down in that time frame. This is going to help people who are trying to keep the farms in their families, so that they can continue the tradition. It is going to help people. It is going to help ranchers to pass on what they have invested their entire lifetimes on.

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Mr. Speaker, it will allow a situation where you are not just a millionaire for one day, but that you can go on, pass this on to your heirs. Also capital gains is very important when it comes to creating jobs.

An uncle of mine who lives in Mecklenburg, NC, one time told me, "How many who are poor hired you for a job," and I had to tell him, "No, no one has," because it is those who have capital that hire people for jobs.

So the capital gains tax reduction here is going to increase jobs here in America, and increasing jobs is what increases hope for America.

We found out for giving people free money that their self-esteem is reduced. You cannot have self-esteem without accomplishment, and you cannot have accomplishment without work, and it is always helpful to have

a job when you are going to work. So we are trying to restore hope in America by creating new jobs through capital gains reduction.

Mr. Speaker, I spoke with the majority leader, the gentleman from Texas [Mr. ARMEY]. He talked about the benefits of capital gains tax, and that 90 percent of the benefits go to the workers and only about 3.1 percent actually goes to people.

So I encourage my fellow Members of the House to pass H.R. 1215 and give America hope for the future.

#### FEDERAL STUDENT AID PROGRAMS TARGETED TO PAY FOR THE CONTRACT WITH AMERICA

The SPEAKER pro tempore. (Mr. KINGSTON). Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, Members of the House, this past Friday the gentlewoman from San Francisco, CA [Ms. PELOSI] and the gentlewoman from the Palo Alto Valley south of San Francisco, CA [Ms. ESHOO] and myself held a hearing to listen to both school administrators, and parents and young people who are attending our university system, private university system, our public university system, the California State University system, and our community colleges, and who were doing so because of the availability of student loans and the interest subsidy that we provide on those student loans while young people are attending school and for a 6-month period after they graduate from school or cease to attend school before they start paying back those school loans. What we heard was a rather remarkable set of stories from young people and their parents, some young people on their own and some accompanied by their parents, telling us what their families are doing, are prepared to do and have done in the past to try and secure the opportunity of higher education, of a college education and degree, for their young people. They have made personal sacrifices in trying to obtain savings so that they can provide for their children. Many of them have refinanced their houses, gone into the workplace, worked extra hours, and yet still they do not have sufficient money to attend the State university system or the UC system, or our private universities, and, as a result of that, they have used the student loans that are made a part of the fabric of American society because of the Federal student loan program. Many of those students have also used the campus-based programs, work study programs, to provide additional moneys, and what we heard was the kind of sacrifices that hard-working American families of modest means in most instances are prepared to make so that their children will have, in some cases, a better education than their parents,